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# Management response to the joint evaluation of UNDG contribution to the implementation of the Paris Declaration on Aid Effectiveness (first phase)*

## Context, background and findings

1. Aid for development, in tandem with other sources of financing and targeted measures, has produced tangible improvements in a certain number of development indicators, such as health and primary education. However, discrepancies in development prospects and economic growth levels between continents and countries, as well as within countries, continue to persist. The global commitments made at the Monterrey Consensus on Financing for Development (2002) and the United Nations 2005 World Summit have emphasized the significance of the effectiveness of aid for development outcomes and the achievement of the Millennium Development Goals.

2. The 2004 Triennial Comprehensive Policy Review (General Assembly resolution 59/250) stressed that the United Nations has a role in assisting developing countries to manage the new aid modalities. It called upon the United Nations to strengthen the capacity of developing countries to better utilize various such modalities, and urged the United Nations development system to fully utilize joint initiatives in the interest of enhancing aid efficiency and aid effectiveness. The 2007 Triennial Comprehensive Policy Review (General Assembly resolution 62/208) further welcomed efforts and initiatives to enhance the quality of aid and to increase its impact, including the implementation of the Paris Declaration on Aid Effectiveness. The resolution called for "concrete, effective and timely action in implementing all agreed commitments on aid effectiveness, with clear monitoring and deadlines".

3. Specifically, in the Paris Declaration on Aid Effectiveness of 2005, the international community committed itself to undertaking far-reaching, monitorable actions to reform the ways in which aid is delivered and managed. It lays out

*The compilation of data required to provide the Executive Board with the most current information has delayed submission of the present report.

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specific commitments by donors to provide aid improved in quantity and quality (more predictable and less 'tied'), and by developing (recipient) countries to address weaknesses in national development strategies and to strengthen governance. It also reinforces the centrality of a development model based on national ownership, mutual accountability, development results and partnership between donors and developing countries. The Paris Declaration is thus one part of the ongoing discussions and efforts to increase development effectiveness.

4. In Paris in March 2005, the United Nations Development Group (UNDG) adhered to the Paris Declaration on Aid Effectiveness together with 91 countries, 25 other participating organizations and 14 civil society organizations. In 2005, the UNDG adopted an action plan for the follow-up to the Paris Declaration which defined three main principles of engagement: (a) putting national development plans at the centre of United Nations programming; (b) strengthening national capacities; (c) increasingly using and strengthening national systems.

5. To implement the action plan, UNDG established a working group on aid effectiveness. The group was co-chaired by UNDP, which, as an observer, represents the United Nations system at the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development, (OECD) and in the Steering Committee for the third High-Level Forum on Aid Effectiveness (Accra, 2-4 September 2008) UNDP is co-sponsor of the High-Level Forum, on behalf of UNDG.

6. Following the restructuring of UNDG in spring 2008, the UNDG working group on aid effectiveness was dissolved and the aid effectiveness agenda has been incorporated into the new working group on programming issues. This decision is welcomed, as it represents a logical step to ensure that aid effectiveness issues will be even more strongly mainstreamed into programming. However, the UNDG Accra preparation group, a former sub-group to the UNDG working group on aid effectiveness, continues to meet to ensure an effective, coherent UNDG contribution to the third High-Level Forum on Aid Effectiveness. The UNDG Accra preparation group is co-chaired by UNDP and UNICEF.

7. Concretely, in response to the Paris Declaration, UNDP developed a strategy for the implementation of the Declaration which specifies its role in (a) supporting the capacity of countries to manage and coordinate aid; (b) facilitating their participation in the roll-out of the Paris Declaration; (c) supporting UNDG and United Nations country teams in implementing the Paris Declaration at the country, regional and global levels; and (d) promoting peer learning and South-South exchange. In addition, UNDP works with the United Nations Division of Social Affairs to link the work of the Economic and Social Council Development Cooperation Forum and the 'International Follow-Up Conference on Financing for Development' (Doha, November 2008) with an examination of the results of the Paris Declaration process.

8. Since 2005, UNDP has significantly scaled up its support to Member States in strengthening their institutional capacity to coordinate and manage official development assistance. Capacity development support is currently provided, upon demand, to around 90 developing countries. The focus is on strengthening existing results and resource based aid coordination mechanisms and establishing new ones; deploying IT-based aid management systems as an instrument of mutual accountability and transparency; and promoting peer learning and knowledge-sharing as the cornerstones of South-South cooperation. With the World Bank, UNDP supported the OECD/DAC help desk for the 2006 and 2008 surveys on 'Monitoring the Paris Declaration' and organized four regional workshops in early

2008 to strengthen the capacities of national coordinators to respond to the Survey by providing more robust data.

9. Internally, to strengthen its own capacity in this area, UNDP developed a 'community of practitioners for aid effectiveness' (comprising advisers and aid-effectiveness focal points in country offices); two websites (internal and external); and a Virtual Development Academy practitioner's course. A number of regional capacity development workshops for government practitioners and UNDP staff have been conducted regionally (in 2007 alone, sub-regional capacity development workshops were organized in Benin, Kenya and Montenegro). Corresponding capacity development tools for aid effectiveness were developed. At the UNDG level, while the Development Operations Coordination Office coordinated UNCT responses to the 2006 and 2008 surveys on monitoring the Paris Declaration, UNDP provided technical support.

10. With regard to simplifying and harmonizing its business practices, UNDP is in the process of determining the impact of implementation on business and Atlas processes, In addition, a comprehensive change management strategy is being developed, which will address the training and communication needs of internal and external stakeholders. The Harmonized Approach to Cash Transfer has been introduced and is currently being rolled out and implemented.

11. A global UNDP capacity development programme for aid effectiveness is under development to respond to the increasing developing country demand and the roll-out of the UNDP strategic plan, 2008-2011. The concept has been discussed with programme countries as well as a number of donors. South-South and peer learning across countries and regions are particularly powerful tools for knowledge management, and UNDP is in the process of scaling up its support to peer learning through a more defined conceptual framework, based on positive interventions and demand.

12. This effort is recognized in the UNDP strategic plan, 2008-2011, which – in the context of overall UNDP engagement in the aid for development effectiveness agenda – *"[e]mphasizes*, as principles for development effectiveness, national ownership, effective aid management and south-south cooperation for all efforts of UNDP to support programme countries to develop national and local capacities for human development and achievement of the Millennium Development Goals".

13. In 2006, UNDG agreed with other donors and partner countries to conduct an evaluation of the implementation of the Paris Declaration between 2007 and 2010, using a two-phased approach. The first phase, a *formative* evaluation, focused on inputs, implementation process and – to the extent possible – outputs. The second phase, a *summative* evaluation, will focus on implementation results and outcomes. The first-phase was to contribute to the third High-Level Forum on Aid Effectiveness in Accra. The exercise will feed a broader evaluation effort, together with 10 developing countries and 10 development partners, to inform the third High Level Forum on Aid Effectiveness in September 2008.

14. The present UNDP management response addresses the first-phase assessment of the evaluation of the UNDG contribution to the implementation of the Paris Declaration on aid effectiveness as voluntarily undertaken by UNDG members, including the International Fund for Agricultural Development, the Joint United Nations Programme on HIV/AIDS, the United Nations Economic Commission for Africa, the United Nations Development Fund for Women, UNDP and UNFPA. The present

management response is submitted to the UNDP Executive Board, in compliance with UNDP evaluation policy approved by the Board in 2006. While the management response limits itself to UNDP-specific issues as they relate to the mandate of the Executive Board, UNDP is collaborating with other UNDG members in reviewing the evaluation findings and recommendations.